

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 EB-07 FPC-01 H-02
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04
USIA-15 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10
XMB-04 /121 W

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P 182139Z MAY 77

FM AMCONSUL HALIFAX

TO SECSTATE WASHDC PRIORITY 1625

INFO AMEMBASSY OTTAWA

AMEMBASSY LONDON

UNCLAS HALIFAX 0194

E O 11652: N/A

TAGS: ENRG EINV CA

SUBJECT: COME BY CHANCE REFINERY FOR SALE

1. ACTING ON BEHALF OF KLEINWORT BENSON, UK MERCHANT BANK WHICH, IN TURN, IS ACTING ON BEHALF OF UK GOVERNMENT'S EXPORT CREDIT GUARANTEE DEPARTMENT, PEAT MARWICK LTD HAS PLACED ADVERTISEMENTS IN NUMEROUS INTERNATIONAL PUBLICATIONS INVITING TENDERS FOR THE PURCHASE OF THE OIL REFINERY AT COME BY CHANCE, NEWFOUNDLAND. DEADLINE FOR PUBLIC TENDERS IS SEPT 15.

2. NFLD PREMIER FRANK MOORES HAS POINTED OUT THAT KLEINWORT BENSON AS HOLDERS OF ECGD S FIRST MORTGAGE FELT IT HAD THE RIGHT TO PROCEED "WITH OR WITHOUT THE CONSENT OF OTHER GROUPS". IN REPLY TO QUERY FROM MEMBER OF NFLD S HOUSE OF ASSEMBLY, HOWEVER, MOORES SAID HE WOULD UNDER NO CIRCUMSTANCES ALLOW A PURCHASER TO SCRAP OR DISMANTLE THE REFINERY, ADDING THAT "THIS HOUSE HAS CERTAIN LEGISLATIVE POWER AND APPROPRIATE LEGISLATION WOULD BE BROUGHT IN ANY
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TIME WE HEARD OF IT."

3. JOHN SHAHEEN, THE AMERICAN PROMOTER WHO BUILT AND FORMERLY CONTROLLED THE REFINERY, MEANWHILE, HAS ISSUED A WARNING THAT HE WILL TAKE LEGAL ACTION AGAINST ANYONE ATTEMPTING TO PURCHASE THE REFINERY S ASSETS FROM ITS RECEIVER. HE IS CLAIMING THE THE RECEIVER,

CLARKSON COMPANY LTD, IS PART OF OR ACTING FOR AN
INDUSTRY-GOVERNMENT CONSPIRACY AGAINST PROVINCIAL
REFINING COMPANY AND NFLD REFINING COMPANY WHICH
FORMERLY OWNED AND OPERATED THE REFINERY.

4. COMMENT: ONE WONDERS WHETHER THE GOVERNMENT
OF NFLD OR ITS LEGISLATURE COULD LEGALLY PREVENT THE
LAWFUL PURCHASER OF THE REFINERY FROM DISMANTLING OR
SCRAPPING IT IF HE CHOSE TO DO SO. WHAT IS NOT AS
DOUBTFUL IS WHETHER JOHN SHAHEEN WOULD INDEED
TAKE ANY PURCHASER TO COURT. SHAHEEN INSTITUTES
LAWSUITS AT THE DROP OF A HAT AND, ALTHOUGH HIS COME BY
CHANCE LAWSUIT BATTING AVERAGE THUS FAR IS ZILCH, HE
CAN BE EXPECTED TO KEEP TRYING TO PRESERVE HIS CRUMBLING
CORPORATE EMPIRE BY TYING UP HIS ADVERSARIES IN
INTERMINABLE LITIGATION. IF BIDDERS ARE NOT DISCOURAGED
BY EITHER MOORES OR SHAHEEN, THEY STILL MUST GIVE
CONSIDERATION TO THE FACT THAT INDUSTRY SOURCES
BELIEVE NO NEW REFINERY CAPACITY WILL BE NEEDED
WITHIN THE AREA EMBRACED BY EASTERN CANADA, EASTERN
US, AND THE CARIBBEAN UNTIL SOMETIME THE EARLY
1980 S. THERE IS A TIME AND A PLACE FOR EVERYTHING,
BUT, AS FAR AS BUILDING OIL REFINERIES GOES, IT SEEMS THAT
1973 WAS NOT THE TIME AND COME BY CHANCE WAS NOT THE
PLACE. END COMMENT.
MOORE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Sent Date: 18-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770177-0379
Format: TEL
From: HALIFAX
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770545/aaaabmoz.tel
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Litigation History:
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Review Release Date: n/a
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SAS ID: 2474770
Secure: OPEN
Status: NATIVE
Subject: COME BY CHANCE REFINERY FOR SALE
TAGS: ENRG, EINV, CA, PEAT MARWICK LTD
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/86dfe390-c288-dd11-92da-001cc4696bcc
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